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CHINA'S LOSS AND JAPAN'S GAIN

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The documents which have passed between the two governments of Japan and China have at last been published. There is no longer secrecy. The correct statement of Japan's original demands appear to agree in the main with what foreign correspondents in Peking telegraphed to Shanghai, to England and to America. The excuse made by friends of Japan that no non-official person knew the nature of the demands and hence had no right to offer criticism, is now shown to be without value. The demands were known, and the criticism thereon was generally sound as well as strong. It is also seen how the Japanese government neglected to give the powers, including Great Britain, a correct version. Japanese diplomats, even the much-respected Count Okuma, were juggling with their foreign friends and trusted allies.

The Chinese official statement issued by the government in Peking, after replying in the affirmative, under pressure of *force majeure*, to Japan's ultimatum, is a clear and convincing document, in defence of China's correct and conciliatory attitude to Japan, amid many annoyances, indignities and threats. China's reasons for rejecting some of the demands or for seeking to modify others, will appeal to the general sense of justice. The unfortunate thing is that China's objections, the reasons for her objections, and all her conferences and negotiations, melted into thin air, when the alternative was presented to China, either to accept *in toto* the ultimatum, or to face hostilities.

That there may be no doubt as to the great wrong committed by Japan on a friendly and peace-loving neighbor, it may be well to pass by all negotiations which have gone for naught, and all arguments of China's negotiators, which

have been unceremoniously spurned, and note what China has been forced actually to surrender, and what Japan has actually acquired. What is China's loss is Japan's gain. Increase the loss on the one side, and you see how increased is the gain on the other. Japan's gain at this juncture also means proportionate loss for all other powers. The *status quo* after the war will not be the *status quo* before the war. This has all been upset by Japan's intrusion of force, symbolized in increased military guards at Tsingtau, Tsinanfu and Mukden contrary to China's reasonable protests. There is no longer an even balance of power; Japan jumps into the scales, and sends all the others, including China, sky-high into the air.

The latest negotiations which have taken place, have resulted in a new treaty between the two governments, signed, sealed and ratified, and in an exchange of numerous notes. There is an impression that China has managed to escape fairly well, but this impression may be a delusion. The game played has, indeed, been a long one, and if Japan has shown even a little generosity in her conduct to China, or if China can find any comfort from such generous tokens, it is only just that we note what they are.

Let us, then, make a comparative study of this most wonderful profit and loss account—profit to Japan and loss to China, and every one else. Only important matters, beyond dispute, will be considered in this review.

1. "All rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the province of Shantung" all pass to Japan, if hereafter agreed to by the German government. By this China gets nothing and Japan gets much. What Japan gets is more than appears on the surface. Besides the railway and mining rights now belonging to Germany, and which Japan expects to secure free of charge, there are new concessions to I-chowfu and Hsu-chowfu and one west to Honan. In all probability Japan will claim the German section of the trunk line running from Pukou on the Yangtze to Tientsin in the north. All Germany's claim to priority of influence, recognized in treaties, now becomes Japan's priority of influence.

By the courteous invitation of England, Germany in Shantung gives place to Japan in Shantung. How China or other powers are to gain thereby no one has yet been able to show.

Such a result would greatly alter the *status quo ante bellum*, and the only possible hope for retaining the *status quo* and lessening Japan's power is in Germany's unwillingness to agree to such action, in her ability to defend her rights, when the great war shall end, or in Japan and Germany becoming friends and allies against the rest of the world.

How insistent Japan is in this matter may be seen in her rejection of the Chinese suggestion, brought forward in the first conference, that "the subject of this demand related to the *post bellum* settlement, and, therefore, should be left over for discussion by all the parties interested at the Peace Conference." Though this suggestion was reasonable, it was not acceptable to Japan. Only propositions for Japan's glory are acceptable to her, in this her day of might and strength.

2. In the settlement to be reached concerning affairs in Shantung, Japan, but not China, may consult with Germany. Japan gains in prestige, and China loses. Japan secures a kind of sovereign position on Chinese territory, and China loses it. In this same first conference China advanced a supplementary proposal that Japan should recognize "the right of the Chinese government to participate in the negotiations referred to above between Japan and Germany." This suggestion, as well said in the official statement, "was made in view of the fact that Shantung, the object of future negotiation between Japan and Germany, is a Chinese province, and therefore China is the power most concerned in the future of that territory." And yet this very reasonable suggestion, a proposition of right, when again brought forward in China's reply of May 1 was such that Japan, as stated in her ultimatum, "could not tolerate it." Thus Japan gains a hold on questions which concern China through various treaties, and which have their being on Chinese soil. China, on the other hand, is compelled to relinquish her hold on that which is rightfully

her own. That which is relinquished plainly affects China's sovereignty.

3. In the opening of new places of international trade in Shantung, the regulations may be drawn up by the Chinese government but the Japanese minister must be consulted, and with him rests the decision. This is a gain to Japan and a loss to China, in that Japan can intrude itself into affairs which concern China and not Japan. As the official statement says, "This was a demand on the part of Japan for privileges additional to any that hitherto had been enjoyed by Germany." It was an apparently innocent move to increase Japan's power in the province of Shantung.

4. In Group I, Article 3, relating to a railway from Chefoo to Weihsien there is a change from the original form of the demand. The alteration is according to the counter-statement presented by the Chinese government and which Japan adopted for her modified demands and ultimatum. The treaty confirms the ultimatum, as the ultimatum gave assent to China's counter proposal. This is one generous act on Japan's part which should not be overlooked. Originally Japan demanded that this railway be allotted to her for building and control, but in the treaty she allows China to build the railway, while stipulating that if Germany abandons her right to lend money for this purpose, Japan shall be allowed to make the loan. Should China determine to build the railway with her own money, there is no loss for her to fear.

5. The preamble to Group II, as stated in the original document was slightly altered in the revised copy and the ultimatum. This revised form appears in the treaty. Instead of saying that "the Chinese government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia," the treaty states it thus: "The Japanese government and the Chinese government in view of developing their respective economical relations in South Manchuria and Eastern Inner Mongolia, etc." This is a form of words far less objectionable than the original form. It was generous of Japan to avoid exciting unnecessary apprehension. The inclusion of

these words was unnecessary seeing that the various rights granted to Japan in both Manchuria and Mongolia clearly establish "the special position" of Japan over every other foreign country, though not over China, if she determines on real schemes of development and reform. Whether Japan ultimately secures a "special position" in this vast region of the north-east depends not on this treaty, but on China's subsequent conduct.

6. The term of lease of Port Arthur and Dalny, which by the agreement taken over from Russia expires in 1923, shall be extended to 1997. Thus Japan is secure for two generations in occupation of two of China's best harbors. In comparison with other matters China suffers but little loss; she simply agrees out of friendliness to Japan to decide a question before the necessary time.

7. The term of lease for the South Manchurian Railway, which by 1938 can be repurchased by China and by 1968 can be restored to China is extended to 2002 and the lease of the Antung-Mukden Railway, expiring in 1923, is extended to 2007. The time of restoration to China is thus postponed for coming generations to effect.

8. The Japanese shall be free to reside and lease property, travel and do business anywhere in South Manchuria. Thus Japan gains what she or any other country has never before been allowed under existing treaties, and China loses her sovereign right to establish her own restrictions concerning foreigners in South Manchuria. The precedent is dangerous to China. Other powers will follow suit. The *status quo ante bellum* is thus altered. The official statement gives China's sincere opinion, though compelled to abandon it, namely, that free residence everywhere "would be a restriction of China's sovereignty and a serious infringement of her administrative rights." Thus China has suffered loss, and Japan has made great gain.

9. In regard to the building of railways in Eastern Mongolia and new railways in Southern Manchuria, the original form was changed in the revised form, and this revised form, while not inserted in the treaty, is agreed to by an exchange of notes. Originally some third power could build the rail-

way or make a loan for that purpose, except that in so doing "the Japanese government's consent shall be first obtained." In the revised and final form, there is no question of any third power being allowed any such privilege, but China herself "will provide funds," and "if foreign capital is required, China may negotiate for a loan with Japanese capitalists." This surely establishes Japan's "special position" in South Manchuria and Eastern Mongolia, without going to the trouble of inserting the words. The only way to avoid this "special position" for Japan, is for China herself to provide the requisite funds for these "necessary railways." Thus once more China's subsequent action is more important in maintaining her sovereignty, than are notes or treaties. According to a statement lately made by the Japanese minister of foreign affairs, Japan is to be congratulated on having a "special position" both in Manchuria, Mongolia and Shantung, a position which, he says, "foreign powers have long recognized." The intent of the Japanese government must be understood by other than phrases introduced into treaties and official notes.

10. By an exchange of notes it is agreed by China that "if foreign advisors or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese may be employed first." The only difference from the original form is that Eastern Inner Mongolia is not included. This is unnecessary, for in Eastern Inner Mongolia Japanese and Chinese are allowed "jointly to undertake agricultural enterprises and industries incidental thereto." Naturally joint partnership is more suited to Mongolia than is any number of "advisors or instructors." As to Southern Manchuria the only way to avoid the employment of Japanese educated men is to avoid the development of that territory, or, most desirable if possible, the employment of Chinese educated men. Here, too, everything depends on the future action of the Chinese government. The official note merely prepares the way for increased Japanese influence under certain most probable circumstances. In any case other foreigners of the grade of advisors or instructors are effectually barred out.

11. The four revised demands concerning Eastern Mongolia appear innocent enough, and, were it not that they are joined with so many other demands, could be safely granted. They are in general advantageous to Japan and restrictive on China. They plainly imply that Japan claims in Eastern Mongolia, as in Manchuria, prior rights in agriculture, industry, railways and mining. China must not use any foreign capital, unless Japan has the first chance. Thus for big enterprises equal opportunity for all nations is thrown overboard by China's consent, though under pressure. It is a part of the ultimatum, not to be altered in jot or tittle. Thus viewed, Japan has gained much and China has lost much. A vital principle in the development of China's undeveloped territory—that of equal opportunity and free competition—is cast to the winds. And Japan compels China to give assent to the work of weakening a great principle embodied in many agreements. Other powers will demand elsewhere equally exclusive rights.

12. In respect to the Hanyehping Company, one of the largest and most valuable of China's industrial enterprises, Japan is allowed to preëempt the ground. All other foreigners are, by this new treaty, excluded. The only ones to get the big concern out of the Japanese grip, are the Chinese, and this seems most unlikely. The company means, moreover, not only the works at Hanyang, but iron mines in Hupeh and coal mines in Kiangse. In the very centre of the country, Japan establishes a claim. This is her gain, and China's loss.

13. Japan is allowed to try to secure from "any foreign power," viz., Great Britain, the right to build three lines of railway in Central China. The result will depend on the strength of Britain after the war, and on how great the services are which Japan will render to her ally or the hold that Japan has upon her. The loss to China one way or the other is here of little account. It is mainly a tussle between two island empires, Japan and Britain.

14. With reference to Fukien, Japan has modified her demand from that presented on January 18. China is com-

pelled to agree "not to use foreign capital" for "a dockyard, a coaling station for military use, or a naval base." Japan is thus also excluded. What more Japan may want in Fukien—and she has plainly shown she wants prior, if not exclusive, rights—she deems it prudent to leave out of the protocol. She discerns no other power seeking concessions in Fukien, so she can safely withdraw from view her attention directed to that province. She has wisely consented to settle the matter by "an exchange of notes."

15. The serious questions (a) concerning the employment of "numerous Japanese advisors," (b) concerning the establishment of "schools or hospitals" "in the interior of China," (c) concerning "the matter of purchasing arms (from Japan) or that of establishing a joint arsenal," and (d) concerning "the propagation of Buddhism," while not put in as strong language as in the document of January 18, are "to be arranged by an exchange of notes" and are merely "postponed for later negotiations." These articles China had refused to negotiate, as they seriously affect "the sovereignty of the republic," but by accepting the ultimatum, she has agreed to negotiate them later on. By an exchange of notes the Japanese may be able to effect real secret negotiations and a secret understanding. In a recent speech by the Japanese minister of foreign affairs given in the House of Deputies in response to an attack from an opponent, the Japanese are assured that these important matters have already been graciously recognized by the Chinese government. There is thus no lack of confidence on the part of the Japanese government concerning the ultimate fulfillment of every Japanese wish or demand. By this act of diplomacy Japan has again secured much and China will lose much.

16. In the ultimatum Japan states that the proposal or request of China that "Japan should bear the responsibility of paying indemnity for all the unavoidable losses and damages resulting from Japan's military operations" "can never be tolerated by Japan." This is Japan's reply to China's magnanimity in allowing Japanese troops to march across neutral territory. As Japan from the very begin-

ning has acted in Shantung as she pleased, and in the face of protests, so now she demands that China shall agree to present no bill for "losses and damages." Japan becomes vigorous in high-handedness, while China loses in money, in dignity and in the power to protect her people. From September to April Japan has put her own advantage first, while the rights, the complaints, the protests, and the interests of China have been ignored or denied.

In just one thing Japan gives a favor to China, i.e., "at a suitable opportunity, to restore, with fair and proper conditions, to the Chinese government the Kiaochou territory." One of these conditions is that Japan shall have a concession of her own, besides providing for all others an international settlement. How much gain will accrue to China above that which she has previously had under German control remains to be seen. Personally I prefer the beautiful town of German Tsingtau to the kind of place produced under Japanese initiative. Moreover, under treaty, China must provide for Germany some more suitable harbor.

To be fair to Japan, it must be stated that in a few of her demands a modification has taken place, and so lessens China's loss, though loss, not gain, is China's part in these wonderful transactions. (a) In Group III, the article concerning the right of the Hanyehping Company to decide the matter of "all mines in the neighborhood of those owned by the Hanyehping Company" is dropped from the revised version of April 26. This does not much matter, for the leading mines are already under control of this company. (b) The clause about joint Japanese and Chinese police administration in "important places" also disappears in the revised demands, and of course does not appear in the new treaty. Japan will probably adopt some genial method to effect this end. (c) The demand that China purchase 50 per cent of her arms and ammunition from Japan is altered into a form less drastic. (d) The demand concerning Fukien is also altered, omitting from the protocol reference to mines and railways. There is no proof, however, that this idea has escaped from the Japanese mind.

The main thing to bear in mind is that the *status quo ante bellum* has already been altered completely. Japan has gained, in a greater or less degree, in Manchuria, in Mongolia, in Shantung and adjoining provinces, in the Yangtze Valley, in Fukien, and by subsequent negotiations throughout the whole of China. She has done well at China's awful expense.

As to equal opportunity, that is gone, except where other powers have already established their claims. In comparison with Germany, Japan's gain is tremendous. Germany, it is to be believed, is henceforth to be eliminated from China, not at China's wish, but at Japan's demand. In comparison with Britain, France and Russia, three good allies, Japan has again come out best. In comparison with America, Japan is allowed a free hand, wherever she wants it, while America will trade, preach and start schools, under suffrance, not of China, but of Japan.

For those who can read between the lines it will be seen how Japan has consummated her gigantic proposition to form an alliance with China, in which Japan shall be the strong partner.

It remains to extend the alliance to the rest of the Eastern Asia, all under the hegemony of Japan.